

20 January 1951

PROPOSED BASIS FOR THE DISCUSSION OF
CIA's RESPONSIBILITIES UNDER NSC 282
23 January 1951

I. What is the Problem?

NSC directs CIA, in collaboration with the governmental agencies concerned, to organize and conduct a study of:

Foreign economic intelligence requirements relating to the national security, including requirements for mobilization planning;

Facilities and arrangements currently employed for meeting those requirements;

The adequacy of such facilities and arrangements; and, where appropriate, means for their improvement.

CIA to prepare for NSC consideration and action a comprehensive plan for satisfying the foreign economic intelligence requirements of the national security and for a coordinated interagency effort to this end based on a definite allocation of responsibilities among the agencies concerned.

II. Benefits to be Derived by CIA

The current organization of the four O/RR Economic Divisions covers all concrete fields of inquiry concerned in the production of the economic intelligence required by the United States Government. These Divisions will have to be aware of the way in which economic intelligence is handled by the government and of the capabilities of the various governmental departments.

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and agencies if they are to fulfill their responsibilities for the coordination and monitoring of the production of economic intelligence. They can learn these capabilities and arrangements by working on the survey requested by NSC 282.

The successful implementation of the recommendations to come out of the CIA report should provide a means of gearing all economic intelligence production facilities of the government, including CIA, into an integrated operation for the satisfaction of the government's needs.

III. Plan for Action

1. Discussion

The CIA "Requirements" paper represents an abstract statement of over-all governmental requirements for economic intelligence. The specific requirements of the various departments or agencies have not been identified. The "Specifications for a Survey" paper has turned up some useful data but the data is not adequate to use as a basis for recommending realignment of arrangements and facilities.

2. The Problem Can Be Broken Down Into Parts to Facilitate Solution

For example: Division into "Requirements" and "Facilities and Arrangements" phases. Working committees could be formed to cover fields similar to the following:

- a. General requirements of the government (Requirements paper already in final stages)
- b. Specific requirements of agencies (Some data in the survey reports)

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c. Facilities and arrangements for producing intelligence concerning:

- (1) Functional fields
- (2) Commodity fields
- (3) Geographic areas.

3. The Working Committees Should Address Themselves to the Following Or Similar Questions

- a. What information is collected by each department or agency for itself?
- b. What information is collected by one department or agency for another?
- c. What information is collected by non-governmental facilities specifically for a department or agency of the government?
- d. Is the information received by an intelligence-producing department or agency adequate for the production responsibilities of that department or agency? Causes of inadequacies?
- e. What intelligence is required by each department or agency in the execution of its assigned mission?
- f. What intelligence is produced by that department or agency for itself?
- g. What intelligence is procured from other governmental departments and agencies?
- h. What intelligence is procured from non-governmental sources?
- i. What fields of inquiry are not adequately covered by any governmental department or agency?

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j. What intelligence is produced in the government that is of interest to departments or agencies that do not receive it?

k. What duplication exists?

l. What impediment in the exchange of information or intelligence is created by security classification?

m. Is the intelligence available to a using department or agency adequate to guide that department or agency in the execution of its responsibilities? Causes of inadequacy?

n. Do the specific requirements of the various departments or agencies in combination approximate the abstract requirements of the government as a whole?

4. Information is available on the solution of similar and related problems, e.g., Bureau of the Budget "Survey of Foreign Service Economic Reporting", Bureau of the Budget "Study of Relations Between the Departments of State and Commerce", and the Hoover Commission Report. It is believed that the approach used in the compilation of data for these studies was that of the personal interview.

5. Among the known factors concerning the present problem are:

a. The departments and agencies concerned

b. Their missions (in general)

c. What they are producing (in general)

d. That some duplication exists

e. That some economic fields are not covered

f. That some of the intelligence produced is not being used by other agencies that have a requirement for it

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g. That security classification does impede free interchange of information and intelligence in some cases. (It may be necessary to recommend the establishment of a government-wide security board to establish standard security practices for the various departments and agencies.)

6. Division chiefs are probably most familiar with the personnel

25X1A in CIA suited to work on this problem. Such personnel include

and members of the O/RR Economic Divisions. It is probable that there are persons in O/CD and in the Basic Intelligence and Map Divisions of O/RR who may have some familiarity with problems connected with the survey.

7. It is probable that there are persons in the Bureau of the Budget who can be of assistance to CIA (e.g., Mr. Gordon P. Freese and Mr. James A. Lynn who worked on the "Survey of Foreign Service Economic Reporting" may be of help). Certain individuals in the IAC agencies such as Mr. John Kullgren in G-2 can be identified. There are probably also available persons who worked with the Hoover Commission in the preparation of its report.

IV. Recommendation

It is recommended that the AD/RR appoint a task force essentially as follows:

Chairman (economist): Overall responsibility and direction

Advisory Panel (consultants and the Chiefs of the Divisions)

Guidance to Chairman and Working Committees

Secretariat: Coordination of Working Committee drafts, final report drafting, arranging outside contacts, reproduction

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Working Committees (full time):

- a. Requirements Committee
 - (1) General Requirements Sub-committee
 - (2) Specific Requirements Sub-committee
- b. Facilities and Arrangements Committee
 - (1) Economic Functions Sub-committee
 - (2) Commodities Sub-committee
 - (3) Geographic Areas Sub-committee.

The task force will prepare: (a) a report of a survey of facilities of the United States Government for the production of economic intelligence based on the questions outlined in paragraph III 3 above or similar questions; and (b) recommendations for the realignment of those facilities in order that the requirements of the United States Government may be met.

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